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TO RUCPDOC/USDOC WASHDC
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USDOC FOR 532/OEA/M. NICKSON-DORSEY/JAY HATFIELD
USDOC FOR 3131/USFCS/OIO/ANESA/KREISSL
USDOC FOR 4530/MAC/ANESA/OSA
ICE HQ FOR STRATEGIC INVESTIGATIONS
STATE FOR EB/ESP

E.O. 12958: N/A

TAGS: ETTC ETRD BEXP IN

SUBJECT: EXTRANCHECK: PRE-LICENSE CHECK: DIRECTORATE GENERAL OF SUPPLIES AND DISPOSALS, NEW DELHI, LICENSE NO. D361025

REF: USDOC 04749

¶1. Unauthorized disclosure of the information provided below is prohibited by Section 12(c) of the Export Administration Act.

¶2. Export Control Officer (ECO) Michael Rufe and BIS FSN Prem Narayan conducted a Pre-license Check (PLC) at the Directorate General of Supplies and Disposals (DGS&D), New Delhi, on September 14, 2006.

¶3. BIS requested a PLC at DGS&D, a GOI agency under the Department of Commerce (Supply Division), Ministry of Commerce and Industry, Website: www.dgsnd.gov.in. DGS&D was listed as the Ultimate Consignee; Ingram Micro India Pvt. Ltd. (Ingram), Mumbai as the Foreign Purchaser and Symantec Ltd., Dublin, Ireland as the Intermediate Consignee for one Symantec Gateway Security 5620 appliance and one Symantec Gateway Security 3.0 software controlled under ECCN 5A002 and ECCN 5D002, respectively. The license applicant was Symantec Corp. (Symantec), Cupertino, CA.

¶4. The ECO met for approximately 2 hours with M.C. Chakrabortty (Chakrabortty), Director-Vigilance and C&T and R. Karuppiah (Karuppiah), Deputy Director, Quality Assurance and C&T, DGS&D and Ajit Kumar Shukla (Shukla), Regional Manager, HCL Infosystems Ltd. (HCL). HCL is the marketing agent and after sales support provider and Ingram is the C&F/Distributor for Symantec in India. The meeting was facilitated by Deputy Secretary (AMS) Viraj Singh, Ministry of External Affairs (MEA), GOI. Singh was also present in the meeting.

¶5. This was the first USG or BIS official visit to DGS&D. Karuppiah provided a copy of the HCL Quotation, DGS&D Supply Order in favor of HCL, and four revised DGS&D End-Use statements.

¶6. Chakrabortty stated that DGS&D is already using the Symantec Gateway Security 5600 series appliance along with Symantec Gateway Security software purchased in March 2003 to protect the DGS&D web-server from receiving junk mail and virus attacks. The Symantec license for these products expired on March 17, 2005. In April 2005, DGS&D approached HCL to renew the license and upgrade the system with the latest versions of Symantec anti-virus and firewall protection. Symantec informed DGS&D through HCL that they are no longer producing nor supporting the system that DGS&D is currently using and they needed to purchase the latest versions. DGS&D ordered the new versions with Symantec license valid through March 2008. In the absence of Symantec's latest versions, DGS&D is using a HCL stand-by security system, provided by HCL but it is not as effective as Symantec's product.

¶7. Chakrabortty confirmed the stated end-use. The Symantec Gateway

Security 5620 appliance along with Symantec Gateway Security 3.0 software will be used to protect the DGS&D web-based server from receiving junk mail, viruses and software hackers. He stated that DGS&D, being the central government's procurement agency, use their computer system for electronic procurement, tendering, inspection, inventory and payment follow-up. The ECO visited the DGS&D Data Centre where the Symantec products will be installed.

¶8. Established in 1951, DGS&D is the nodal agency of GOI under the Department of Commerce (Supply), Ministry of Commerce and Industry. It renders procurement services to Central and state governments by placing rate contracts for common user items and contracts against their ad-hoc demands. Ad-hoc procurement was decentralized in December 1991. The main function now is to conclude rate contracts, form GOI purchase policy and procedure and carry out inspection of items purchased through DGS&D. DGS&D identifies such items, whose anticipated annual purchase by GOI organizations is normally more than approximately \$55,000 a year and lists these items under a DGS&D rate contract. DGS&D concludes rate contracts with manufacturers as a matter of policy and if the manufacturer itself does not market its products, it entertains sole distributors/selling agents instead. DGS&D has rate contracts with approximately 90 Indian and foreign vendors and has approximately 15 offices spread throughout India including all metropolitan and major satellite cities.

¶10. Recommendation: Post recommends the Directorate General of Supplies and Disposals as a reliable recipient of the controlled U.S. origin commodities. All indications are that the listed commodities will be used in accordance with U.S. export control regulations (MKRUFE) Mulford